

Various Financial Alternatives A Comparison

Introduction

A decision to acquire additional life insurance can represent one of several significant phases in your overall financial planning. An important part of this decision involves the comparison of the life insurance policy to alternative investment possibilities.

To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to these alternatives:

Certificate of Deposit;
Ginnie Mae Fund;
Taxable Junk Bond Fund;
Tax Exempt Unit Trust.

The study offers information from which you and your advisers can draw informed conclusions about the suitability of either plan.

Following are major features of the life insurance policy for you to consider as part of your overall assessment:

1. Accumulating cash values;
2. Income tax favored growth of cash values;
3. Competitive current rate of return;
4. Lifelong income options;
5. Tax free access to cash values through policy loans;
6. Income tax free death benefits for beneficiaries;
7. Probate free death benefits for beneficiaries;
8. Privacy of all transactions.

Favorable income tax consequences combine with significant policy values and benefits to produce a life insurance solution that has a considerable amount of financial leverage. This is particularly evident in the following presentation.

Equity Indexed Universal Life vs. Various Financial Alternatives

Comparison Page: 1
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: George Baker, MD

Male Age	Initial Payment	Certificate of Deposit Yield	Ginnie Mae Fund Yield	A Taxable Junk Bond Fund Yield	Tax Exempt Unit Trust Yield	Eq. Indexed UL Interest Rate	Tax Bracket	
45	20,000	4.50%	6.00%	8.00%	4.00%	8.00%	35.00%	
		After Tax Values				Eq. Indexed UL		
Year	(1) Net Payment	(2) Certificate of Deposit	(3) Ginnie Mae Fund	(4) A Taxable Junk Bond Fund	(5) Tax Exempt Unit Trust	(6) Year End Accum Value*	(7) Year End Cash Value*	(8) Death Benefit
1	20,000	20,585	20,653	20,867	20,717	20,240	13,240	520,240
2	20,000	41,772	41,980	42,639	42,176	42,192	28,192	542,192
3	20,000	63,579	64,003	65,355	64,404	65,897	50,997	565,897
4	20,000	86,024	86,745	89,056	87,430	91,492	76,592	591,492
5	20,000	109,125	110,229	113,785	111,280	119,125	104,225	619,125
6	20,000	132,902	134,479	139,586	135,985	148,964	134,809	648,964
7	20,000	157,374	159,522	166,505	161,575	181,153	167,892	681,153
8	20,000	182,562	185,381	194,592	188,083	215,878	203,660	715,878
9	20,000	208,487	212,085	223,897	215,541	253,330	242,304	753,330
10	20,000	235,170	239,660	254,472	243,983	293,717	284,032	793,717
11	20,000	262,634	268,135	286,374	273,444	337,269	329,074	837,269
12	20,000	290,901	297,540	319,658	303,961	384,231	377,675	884,231
13	20,000	319,995	327,905	354,386	335,571	434,856	430,088	934,856
14	20,000	349,940	359,260	390,619	368,315	489,429	486,598	989,429
15	20,000	380,761	391,639	428,423	402,232	548,256	548,256	1,048,256
16	20,000	412,483	425,075	467,867	437,365	611,650	611,650	1,111,650
17	20,000	445,133	459,602	509,021	473,757	679,967	679,967	1,179,967
18	20,000	478,738	495,257	551,959	511,453	753,583	753,583	1,253,583
19	20,000	513,326	532,075	596,759	550,501	832,894	832,894	1,332,894
20	20,000	548,926	570,094	643,502	590,947	918,327	918,327	1,418,327
	400,000							

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Management fee reflected in columns 3, 4 & 5:
GNMA = 0.60%, JB = 0.80%, UT = 0.40%

Equity Indexed Universal Life vs. Various Financial Alternatives

Comparison Page: 2

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Male Age	Initial Payment	Certificate of Deposit Yield	Ginnie Mae Fund Yield	A Taxable Junk Bond Fund Yield	Tax Exempt Unit Trust Yield	Eq. Indexed UL Interest Rate	Tax Bracket	
45	20,000	4.50%	6.00%	8.00%	4.00%	8.00%	35.00%	
		After Tax Values				Eq. Indexed UL		
Year	(1) Net Payment	(2) Certificate of Deposit	(3) Ginnie Mae Fund	(4) A Taxable Junk Bond Fund	(5) Tax Exempt Unit Trust	(6) Year End Accum Value*	(7) Year End Cash Value*	(8) Death Benefit
21	-75,000	487,788	511,254	593,152	534,439	907,684	907,684	1,343,303
22	-75,000	424,863	450,494	540,619	475,905	896,519	896,519	1,268,278
23	-75,000	360,096	387,750	485,809	415,274	884,920	884,920	1,193,253
24	-75,000	293,435	322,958	428,621	352,469	873,015	873,015	1,118,228
25	-75,000	224,824	256,051	368,954	287,414	860,955	860,955	1,043,202
26	-75,000	154,207	186,961	306,700	220,026	849,428	849,428	988,768
27	-75,000	81,523	115,615	241,747	150,224	836,789	836,789	966,862
28	-75,000	6,714	41,941	173,977	77,920	823,026	823,026	941,399
29	-75,000	-70,283	-34,349	103,268	3,025	808,156	808,156	912,191
30	-75,000	-149,533	-113,613	29,494	-74,854	792,239	792,239	879,066
31	-75,000	-231,100	-195,969	-47,872	-155,848	775,386	775,386	841,882
32	-75,000	-315,054	-281,537	-129,262	-240,082	756,604	756,604	827,800
33	-75,000	-401,463	-370,442	-214,883	-327,685	735,657	735,657	811,783
34	-75,000	-490,399	-462,814	-304,957	-418,793	712,277	712,277	793,569
35	-75,000	-581,937	-558,789	-399,715	-513,545	686,161	686,161	772,863
36	-75,000	-676,153	-658,507	-499,400	-612,086	656,967	656,967	749,328
37	-75,000	-773,124	-762,113	-604,269	-714,570	624,305	624,305	722,578
38	-75,000	-872,931	-869,761	-714,591	-821,153	587,735	587,735	692,178
39	-75,000	-975,658	-981,606	-830,649	-931,999	546,757	546,757	657,630
40	-75,000	-1,081,390	-1,097,814	-952,743	-1,047,279	500,807	500,807	618,369
	-1,100,000							

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

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Equity Indexed Universal Life vs. Various Financial Alternatives

Comparison Page: 3
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For: George Baker, MD

Male	Initial	Certificate	Ginnie	A Taxable Junk	Tax Exempt	Eq. Indexed UL	Tax
Age	Payment	of Deposit	Mae Fund	Bond Fund	Unit Trust	Interest Rate	Bracket
45	20,000	Yield	Yield	Yield	Yield	8.00%	35.00%
		4.50%	6.00%	8.00%	4.00%		

Gross interest rate needed by various investments
over 40 years to match Eq. Indexed UL policy values

Investment	Interest Rate	Eq. Indexed UL
Certificate of Deposit	11.61%	Accumulation Value \$500,807
Certificate of Deposit	11.61%	Cash Value \$500,807
Certificate of Deposit	11.83%	Death Benefit \$618,369
Ginnie Mae Fund	12.65%	Accumulation Value \$500,807
Ginnie Mae Fund	12.65%	Cash Value \$500,807
Ginnie Mae Fund	12.87%	Death Benefit \$618,369
A Taxable Junk Bond Fund	13.00%	Accumulation Value \$500,807
A Taxable Junk Bond Fund	13.00%	Cash Value \$500,807
A Taxable Junk Bond Fund	13.22%	Death Benefit \$618,369
Tax Exempt Unit Trust	7.98%	Accumulation Value \$500,807
Tax Exempt Unit Trust	7.98%	Cash Value \$500,807
Tax Exempt Unit Trust	8.12%	Death Benefit \$618,369

Income Tax Considerations

1. Certificate of Deposit: - Interest is taxed as earned.
2. Ginnie Mae Fund: - Interest is taxed as earned.
3. A Taxable Junk Bond Fund: - Interest is taxed as earned.
4. Tax Exempt Unit Trust: - Interest is tax exempt.
5. Equity Indexed Universal Life:
 - a. Death Benefit including cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

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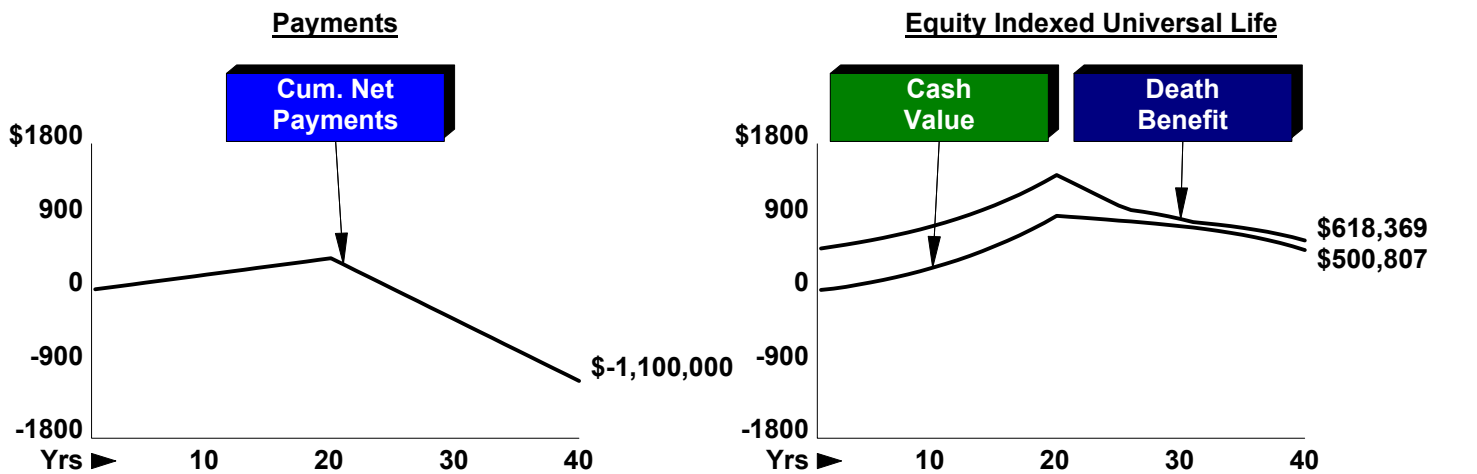
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40 Year Graphic Analysis



Various Financial Alternatives

